

*Government Orders*

With the introduction of this bill, the Conservatives are in essence telling Canadians that the car we all spent so much to buy does not run very well, that it is worthless, that we really never needed it anyway, and will never need it again.

We, the New Democrats reject this utterly, totally. We believe, and we think that Canadians believe, that it is about time we stopped destroying the car we spent so much money to buy. It is about time we fixed it up, chartered a course to a sensible energy future, and hit the road. Obviously the government disagrees. It would prefer Petro-Canada to hit the skids.

But before examining the government's intentions as embodied in Bill C-84, it would be useful to remember how we got to our current situation.

It was less than 20 years ago that Canada experienced the situation to which the government now proposes to return us. There was no national public oil company. It was 1973. In the wake of the Yom Kippur war the Organization of Petroleum Exporting Countries, OPEC, arose out of the Arab countries' bitter determination no longer to be the pawns of the western oil oligopoly, no longer to be the favoured but powerless handmaids of the seven sisters of oil.

Overnight the world price of oil reached heights previously unimagined. Line-ups appeared at gas stations. Gas guzzlers were put up on blocks in the family backyard, and the multinational oil corporations, which in those days controlled most of the fields in the western sedimentary basin, could not believe their good fortune.

Indeed, the Alberta provincial government actually increased royalties on oil and gas, something that has not happened since for more than a decade. Amazing profits were made, and gas consumers felt cheated, isolated, and preyed upon.

Everyone knew the oil companies were making a killing but nobody outside the business knew how, or how much. Nobody knew how long the remaining oil would last because overnight the industry's official tales of endless surplus had become grim warnings of impending shortage. Even the federal government was caught, necessarily relying on the industry for the information with which it tried to devise policy to meet the new realities. Something had to give.

• (1640)

In debates in this House in 1973 even the Conservatives were demanding public intervention to protect the public interest. So with a national oil company as part of the price for continued New Democrat support of the minority Liberal government, the legislation was drawn up.

That legislation was introduced in 1974 shortly before that year's general election. It was part of the program promised to Canadians by the Liberals in that election and they got their majority back.

Petro-Canada was born. Still the Liberals' three immediate aims were anything but radical. First, they wanted to speed exploration for new energy sources in Canada's frontiers, the so-called Canada Lands. This was seen as crucial to ensure the availability of adequate domestic supplies.

Second, the Liberals wanted to improve security of oil imports to eastern Canada by cutting out, or at least providing an alternative to, the multinationals that acted as intermediaries, dealing instead with oil exporting countries one-on-one, state-to-state.

Third, they wanted to hold on to power and to do that they had to be seen as doing something, anything, about the oil crisis.

They were not actually going to upset the existing nature of the industry, especially not after they won back their majority in 1974.

Just in case there was any residual fear in this regard among the major oil companies, Maurice Strong, Petro-Canada's first chairman and president, smoothed their ruffled feathers. He pointed out this new creature would even be a blessing in disguise, "The time will come", he said, "when it will be recognized that the private petroleum industry's survival in a large measure has been ensured by Petro-Canada's existence—For one thing our presence relieves the pressures for the nationalization of the whole industry".

This was gilding the lily perhaps, but the message was clear enough; Petro-Canada would not be treading too heavily on the toes of big oil. Instead it would concentrate its efforts, initially at least, on the upstream sector and leave the lucrative refining and marketing downstream sector to the multinationals.